MSF 132-007-103A-221 / FG / E / 280423

28 April 2023

Dear Sir / Madam,

Optical Shop Baby Bonus Approved Institutions

      This is to inform all Approved Persons ("AP") of Optical Shop Baby Bonus Approved Institutions ("AI") of their roles and responsibilities in accordance with the Child Development Co-Savings Act, the Child Development Co-Savings Regulations and the AP/AI Terms and Conditions (collectively, the "Relevant Legislation and Conditions") which include but are not limited to the following:

    a. **Withdrawals of funds** from the Child Development Account ("CDA") **for non-approved expenses** are **<u>strictly not allowed</u>**;

    b. **Proper record keeping of CDA transactions** for a period of 3 years starting on the date on which any payment out of the CDA is made **must be ensured**; and

    c. **Changes in the AP, particulars, organisation or management of AI must be updated** via MSF's AI Portal **within 7 working days of such change**.

<u>Recent Examples of Withdrawals of CDA Funds for Non-Approved Expenses</u>

2   We have encountered instances of Optical Shop AIs making the following withdrawals of CDA funds in breach of the Relevant Legislation and Conditions, which are **strictly not allowed**.

S/N	Types of withdrawals of CDA funds for non-approved expenses (non-exhaustive)
1	CDA used to pay for optical-related products or services which were not consumed by the CDA member or his/her sibling, e.g., for parents' spectacles instead. √ *The CDA can only be used for the benefit of the CDA member and his/her sibling.*
2	Encashment of CDA funds for optical-related products or services when there is no actual purchase. √ *The CDA funds cannot be encashed by the AI.*
3	CDA used to pay for optical-related products or services for the CDA member or his/her sibling at another outlet. √ *Payment must be made at the outlet itself in which the product or service was purchased.*

<u>Action to be Taken for Withdrawals of CDA Funds for Non-Approved Expenses</u>

3   We emphasise that CDA moneys are strictly to be withdrawn **<u>only</u>** for approved purposes as stated within the AP/AI Terms and Conditions. If you and/or the AI have been engaging in any of the unauthorised practices stated above, **<u>you must stop such practices immediately and keep the Ministry informed</u>**. You may contact us, if you would like to

ascertain whether an intended CDA withdrawal is allowed under the Relevant Legislation and Conditions.

4   MSF will continue to perform routine checks on CDA transactions and will not hesitate to take actions against an AP/AI, including suspending or revoking the approval granted to the AP, if there is any potential breach of the Relevant Legislation and Conditions.

<u>Proper record-keeping</u>

5   Every AP must ensure that the CDA transaction records and/or supporting documents shall be maintained in a format which can be retrieved for checks/verification, **for a period of 3 years** starting on the date on which any payment out of the CDA or any refund to the CDA is made. You may refer to paragraph 6.10 of the AP/AI Terms and Conditions for the list of information to be maintained.

<u>Changes in the particulars, organisation or management of AIs</u>

6   Every AP must notify MSF of any change in his or the AI's particulars, and changes in AP, through MSF's AI Portal within 7 working days of such change. The newly appointed AP shall accept the AP/AI Terms and Conditions within 7 working days from MSF's approval.

<u>Other Matters</u>

7   Please review the Relevant Legislation and Conditions thoroughly, so as to carry out your responsibilities. You may access the AP/AI Terms and Conditions via the following link: [https://www.babybonus.msf.gov.sg/ai/Pages/News-And-Events.aspx], under the News & Events section.

<u>Acknowledgement of Letter</u>

8   You are required to acknowledge the contents of the Letter by submitting a form to MSF (**by 12 May 2023**), which can be accessed either via https://go.gov.sg/oscircular2023 or the QR code below.

https://go.gov.sg/oscircular2023

Yours faithfully

Frances Goh (Ms)
Deputy Director
Family Life Group – Services (Baby Bonus)
Ministry of Social and Family Development